GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:863
ANSWERED ON:21.11.2016
Review of Indo-Korea CEPA
Kumar Shri Kaushalendra

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Alu-Alu Foils manufacturers association has requested the Government to review the Indo-Korea Comprehensive Economic Partnership Agreement (CEPA) which is effective since January, 2010;
(b) if so, the details thereof and the reasons therefor along with the action taken by the Government on this request;
(c) whether the Aluminium Association of India has also strongly supported this demand of Indian Alu-Alu Foils (Cold Form Foils) manufacturers to save the domestic Industry and if so, the details thereof;
(d) whether it is a fact that when the agreement was applicable, no one was producing Alu-Alu Foils in India, but new domestic Industry is having sufficient capacity to manufacture the total demands of the country; and
(e) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (c): Cold Form Foil (Mfrs.) Association had submitted a representation dated 17th March 2015 requesting withdrawal of exemption granted to the import of Cold Form Foil (final product) from South Korea under India-Korea CEPA.
Aluminium Association of India vide their letter dated 22nd May 2015 supported the request of Cold Form Foil (Mfrs.) Association. A request regarding withdrawal of custom duty exemption granted to South Korea on Alu-AluFoils (Cold Form Foils) under India-Korea CEPA was also received from Hon'ble Member of Parliament, ShriKaushalendra Kumar in August 2016.

The issue was examined by the Government. Under the India-Korea CEPA agreement which entered into force w.e.f. 01.01.2010, the customs tariffs on Aluminium foils (under HS 7607)were committed for progressive elimination. The Indian schedule of tariff concessions under CEPA had been finalised in 2009 after extensive stakeholder consultations with the domestic industries and the line Ministries/Departments. As was also informed to Hon'ble MP, Shri Kaushalendra Kumar vide letter dated 7th October 2016, it is not presently feasible to unilaterally withdraw the tariff concessions as the India-Korea CEPA is an international bilateral trade agreement under which both the countries have taken on certain commitments. However, the agreement incorporates safeguard provisions which can be invoked, on a case by case basis,in case serious injury or threat thereof to the domestic industry from the other party is established.

(d) to (e) No compilation of production and sales data of Alu-Alu foils is presently available to substantiate that no one was producing Alu-Alu foils in India in 2010. Moreover, as per the details provided by DGCI&S, the share of Korea in the total imports of Aluminium foils under HS code 76072090 has been hovering at 16 to 21 % during the last three years. In the last year i.e. 2015-16, it was 16.49% of the total import.

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